

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SIXTEENTH LEGISLATURE

SECOND REGULAR SESSION

January 5, 1994 to April 14, 1994

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 14, 1994

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1993

The ballots must be received, sorted, counted and declared in open ward, town and plantation meetings and returns made to the Secretary of State in the same manner as votes for members of the Legislature. The Governor shall review the returns and, if a majority of the legal votes are cast in favor of the Act, the Governor shall proclaim the result without delay, and the Act becomes effective 30 days after the date of the proclamation.

The Secretary of State shall prepare and furnish to each city, town and plantation all ballots, returns and copies of this Act necessary to carry out the purpose of this referendum.

Effective pending referendum.

CHAPTER 91

H.P. 1362 - L.D. 1841

An Act to Create Retirement Alternatives

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Legislature finds that improvements in the retirement benefits offered to state employees must be made in order to attract and retain qualified employees and address specific inequities in the current plan; and

Whereas, the details of the improvements to be made must be considered thoroughly and a comprehensive education and implementation plan must be developed; and

Whereas, a group made of representatives of employees, employers and the general public is best suited to manage this transition process; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Committee to Create Retirement Alternatives; creation. The Committee to Create Retirement Alternatives, referred to in this Act as the "committee," is established. The committee consists of 11 members appointed by the Governor subject to review by the Joint Standing Committee on Aging, Retirement and Veterans and confirmation by the

Legislature. Five of the members must be appointed from nominations provided to the Governor by the 5 unions representing state employees and teachers participating in the Maine State Retirement System. Five of the members must be appointed to represent the perspective of the employer. Each side has one vote and 2 votes are required to take affirmative action on all official actions of the committee. The final member must be appointed to represent the perspective of the public and serves as nonvoting chair of the committee. The member representing the public must have previous experience with a public or private pension system or have current working knowledge of standard pension administration and management practices.

All appointments must be made no later than 30 days following the effective date of this Act.

The first meeting of the committee must be convened by the Chair of the Legislative Council within 14 days after the confirmation of the committee members. Only the member of the committee appointed to represent the perspective of the public is entitled to receive per diem reimbursement in the amount of the legislative per diem and must be reimbursed for expenses upon application to the Department of Administrative and Financial Services, Bureau of Human Resources.

Sec. 2. Duties and responsibilities. The committee shall, at a minimum, develop a comprehensive plan for changing the retirement benefits provided to state employees, including members of the special plans, and teachers in accordance with the recommendations of the Committee to Create Retirement Alternatives as specified in this Act. This recommended plan must be presented to the Governor and the Legislature by January 1, 1996 for consideration during the Second Regular Session of the 117th Legislature.

Sec. 3. Required content of legislation. The legislation prepared by the committee must provide for at least the following.

1. Membership in the Maine State Retirement System must be optional for all new employees, all part-time, seasonal and temporary employees and all employees who had less than 10 years of creditable service on July 1, 1993. Any employee electing not to become or remain a member of the Maine State Retirement System is required to participate in social security. The legislation must specify the process by which an employee selects coverage, the time frame in which that choice must be made, the consequences of the individual's election and the responsibility of both the employer and the Maine State Retirement System in informing the employee of the options.

2. A defined contribution retirement plan to supplement social security coverage must be offered for those eligible employees who opt out of the Maine State Retirement System's defined benefit plan. At a minimum the defined contribution plan must provide for the employer matching of employee contributions up to 3% of the employee's pay. The legislation must also specify who is responsible for administering the plan, what range of investment choices should be provided to the employee, what options employees have for enrolling or changing contribution rates, when the employer contribution vests and any limitations on in-service withdrawals or lump-sum distributions.

3. The recommended effective date of the proposed legislation must provide eligible employees a sufficient amount of time to be fully educated on their options and able to make informed choices based on their own particular circumstances.

4. The proposed legislation must include changes necessary to address any inequities identified in the special plans.

Sec. 4. Required content of plan. The plan to be presented to the Legislature must include the following:

1. All of the legislation necessary to implement the changes required by section 3 of this Act;

2. An assessment of the extent to which the recommended changes will reduce the inequities present in the current benefit structure and increase the attractiveness of available retirement options for all employees;

3. A detailed actuarial analysis on the projected costs of the changes as presented in the proposed legislation; and

4. A detailed plan and timetable for educating affected employees and new employees on the retirement benefit options presented to them.

Sec. 5. Additional legislation. The committee may also recommend legislation as permitted by this section.

1. The committee may propose making a permanent benefit design commission to provide input and advice to the Legislature on legislation affecting retirement benefits.

2. The committee may propose legislation eliminating the difference in retirement benefits depending upon years of service on July 1, 1993 as long as it is implemented in conjunction with providing employees with the alternative benefit option required by section 3 of this Act.

Sec. 6. Staff and assistance. On the request of the committee, assistance, including actuarial services, must be provided by the Maine State Retirement System; the Department of Administrative and Financial Services, Bureau of Human Resources; the Department of the Attorney General; the State Planning Office; and any other agency of the Executive Department. The committee may request assistance from the Legislative Council to prepare the legislation required by this Act.

Sec. 7. Actuarial services. The Maine State Retirement System is authorized to spend up to an additional \$100,000 in excess of its fiscal year 1994-95 budgeted amounts for actuarial services in order to assist the Committee to Create Retirement Alternatives.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective April 15, 1994.

CHAPTER 92

H.P. 1392 - L.D. 1890

An Act to Authorize a General Fund Bond Issue in the Amount of \$9,000,000 to Construct Water Pollution Control Facilities and to Investigate, Abate, Clean up and Mitigate Threats to the Public Health and Environment from Uncontrolled Hazardous Substances Sites

Preamble. Two thirds of both Houses of the Legislature deeming it necessary in accordance with the Constitution of Maine, Article IX, Section 14, to authorize the issuance of bonds on behalf of the State of Maine to provide funds for the construction of water pollution control facilities and for the investigation, abatement and mitigation of threats to the public health and environment from uncontrolled hazardous substances sites or other hazardous waste discharges.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. Authorization of bonds to provide for construction of water pollution control facilities and for the investigation, abatement, mitigation and cleanup of threats to the public health and environment from uncontrolled hazardous substances sites or other hazardous waste discharges. The Treasurer of State is authorized, under the direction of the Governor, to